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1956 AMENDMENTS TO THE UNITED STATES INFORMATION AND EDUCATIONAL EXCHANGE ACT OF 1948

MAY 9 (legislative day, MAY 7), 1956.—Ordered to be printed

Mr. MANSFIELD, from the Committee on Foreign Relations, submitted the following

R E P O R T

[To accompany S. 3638]

The Committee on Foreign Relations, having had under consideration a bill (S. 3638) to promote the foreign policy of the United States by amending the United States Information and Educational Exchange Act of 1948 (Public Law 402, 80th Cong.), as amended, report S. 3638 to the Senate with amendments and recommend that it do pass.

PURPOSE OF THE BILL

The purpose of S. 3638 is to make more effective the International Educational Exchange Service conducted by the Department of State and the United States Information Service conducted by the United States Information Agency. The proposed amendments to the United States Information and Educational Exchange Act of 1948 are mainly administrative in nature. They relate to personnel matters, methods of operation, and requirements for reporting to the Congress. These changes will not substantially affect either the cost of the existing programs or their content. These amendments make no change in the objectives or philosophy of either the educational exchange program or the information program. The proposed amendments will make possible a better administration of these two programs which constitute important instruments for carrying out the foreign policy of the United States.

BACKGROUND OF THE BILL AND COMMITTEE ACTION

The pending bill, S. 3638, was introduced by Senator Smith, for himself and Senator Mundt, on April 16, 1956, and was referred to the

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Committee on Foreign Relations. This bill brings together in a single consolidated bill S. 631, introduced on January 21, 1955, by Senator Mundt and relating to the educational exchange program; S. 2410, introduced on July 5, 1955, by Senator Smith and relating to the information program; and certain executive branch requests for legislation which were submitted to the Congress in March 1956. A hearing was held on S. 2410 by the Subcommittee on State Department Organization and Public Affairs on July 20, 1955. Testimony was heard from representatives of the Department of State, the United States Information Agency, and the Civil Service Commission.

The Department of State and the United States Information Agency requested that the Committee on Foreign Relations consider S. 3638 in lieu of further consideration of S. 631 and S. 2410. A public hearing on S. 3638 was held on April 17, 1956, by the Subcommittee on State Department Organization and Public Affairs chaired by Senator Mansfield. Testimony favoring the bill was heard from Deputy Assistant Secretary of State for Public Affairs Robinson McIlvaine; the Director of the United States Information Agency, Mr. Theodore C. Streibert; Assistant Secretary of State-Controller Isaac W. Carpenter, Jr.; and Deputy Assistant Secretary of State for Personnel George F. Wilson. No other statement was offered either for or against the bill. On May 8, 1956, the full Committee on Foreign Relations, after approving certain changes in S. 3638, voted unanimously to report it favorably to the Senate.

SUMMARY OF PROVISIONS OF THE BILL

The main changes in existing law which would be made by the bill are discussed below.

1. *Educational exchange projects.*—Section 1 of the pending bill would add a new subparagraph (d) to section 2 of the United States Information and Educational Exchange Act of 1948 which would make clear that the Secretary of State may initiate educational projects of interest and value to the United States and to countries which cooperate in the educational exchange program. As an example of the kind of activity which is contemplated, the United States might establish in educational institutions in foreign countries chairs in American studies which would provide a means for disseminating the knowledge and experience gained by foreign educators who study in this country. The provision would also permit the arranging for or participation in special seminars abroad, such as the Salzburg Seminar in Austria, where groups of American professors and research workers can present to foreign students intensive courses in various phases of American life and academic subjects.

2. *Study of American subjects in foreign schools.*—Section 2 (a) of the bill would authorize the Secretary of State to provide for the attendance of nationals of cooperating countries at selected institutions of learning in another cooperating country for the purpose of study of subjects pertaining to or affecting the United States or of participation in meetings sponsored by individuals or public or private organizations of the United States. For example, it might be in the interest of the United States to bring together at one school in a particular Latin American country a group of Latin American English teachers to take an intensive course under American professors in the

teaching of the English language. This provision would also permit sending the nationals of other countries to such American schools abroad as the American University at Beirut, Robert College in Turkey, and the Salzburg Seminar in Austria.

3. *Improving usefulness of advisory groups.*—The United States Information and Educational Exchange Act of 1948 now provides for two advisory commissions, the Commission on Information and the Commission on Educational Exchange, whose functions are to formulate and recommend policies and programs for carrying out the provisions of the act. Several sections of the pending bill, S. 3638, will amend the act so as to enhance the usefulness of these statutory commissions and other lesser groups and advisory committees which the administrators of the programs are authorized to call upon for assistance.

Section 4 of the bill makes clear that the Advisory Commission on Educational Exchange should make recommendations with respect to policies to further cultural relations with participating countries by means of exchange of persons. Section 5 (a) provides that for the purposes of the act no office under State universities, land-grant colleges, or similar educational institutions shall be deemed to be "a compensated Federal or State office." This change is necessary because section 602 (a) of the act provides that no person holding any "compensated Federal or State office" shall be eligible for appointment to the advisory commissions. Section 5 (a) would also add two new members to the Advisory Commission on Information and would provide for staggered terms of appointment along with the other members of the Commission.

Section 5 (b) of the bill would enlarge the fields from which members of the Advisory Commission on Educational Exchange may be chosen. This change would make it possible to bring to the Commission persons from the fields of agriculture, business, the professions, and labor.

Section 6 of the bill would change from a semiannual to an annual basis the rendering of reports of the advisory commissions to the Congress. Annual reports will be more useful because the programs of educational exchange and information are both conducted on an annual basis. Section 7 of the bill would permit the creation in foreign countries of commissions similar to those created under the Fulbright Act (Public Law 584, 79th Cong.), having a membership of American citizens or foreign nationals or both. These commissions have contributed immeasurably to the success of the Fulbright exchange program and the new provision authorizes the use of the existing commissions created under the Fulbright Act, or the establishment of new commissions to give advice on programs carried out under the act.

4. *Protecting private contributors to the exchange and information programs.*—Section 10 (1) of the bill would add new language in section 802 of the act which would permit the administrators of these programs to make contracts of insurance, guaranty, and indemnity. This new authority is especially necessary for the United States information program. A number of situations arise in the course of the operations in which it is necessary for the United States Information Agency to give assurance to private parties that the assistance which these private parties agree to render to the information program will

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not result in loss or damage to the contributors. For example, the Agency frequently borrows paintings and other art objects from private institutions and individuals for distribution in exhibits sponsored by the Agency. Naturally it is necessary to give the owners of such objects assurance that they will be made whole in the case of loss of or damage to the objects. Similarly, in the film distribution and exhibition program of the United States overseas it is necessary from time to time to assure prospective distributors and exhibitors that they will have some protection against the claims which might be made by third parties asserting ownership or rights in the films and kinescopes concerned. It is frequently necessary for the Information Agency to use materials in which ownership of rights cannot be determined or where the precise rights acquired by the Government may be the subject of debate. The estimated cost of such insurance on objects borrowed for exhibits will be less than \$25,000 per year. Although it is always difficult to estimate the extent of liability which might be incurred by the Government in agreeing to indemnify exhibitors of films and kinescopes against third-party claims, it is expected that such costs will be small in view of the policy of the Information Agency to make such contracts only where the benefits to be derived from the showings far outweigh the financial risks to the United States.

5. *Payment of emergency medical expenses.*—There are two restricted kinds of cases arising in the information and exchange programs in which it is in the interest of the United States to pay emergency medical expenses. Section 10 (2) of the bill would add a new paragraph (5) to section 802 of the act which would cover these cases. First, from time to time it is necessary for the Government to bring employees who are foreign nationals to the United States for training or duty or to send alien employees away from their homes to other countries on temporary duty. At the present time there is no authority for the agencies administering the exchange program and the information program to provide hospitalization for these alien employees when they become ill while on Government business away from home. In the interest of proper personnel policy and to avoid misunderstandings and embarrassment between governments, it is desirable that there be authority to provide medical care in these instances. It is estimated that the annual cost of providing such care would be less than \$2,000. Second, there are cases when participants in exchange programs become ill while they are away from home. It frequently is the case that such participants are unable to pay for their emergency hospital and medical expenses. In the absence of authority to help such people there is considerable embarrassment to the Government because these persons include foreign participants who have been invited here by the Government of the United States for purposes authorized by law and in the interest of the United States. In a few instances participants in the program have suffered mental or physical disorders that require their return home accompanied by an attendant. The proposed language in section 10 (2) of the bill would permit payment of costs of travel and medical care incurred under such emergency circumstances. It is estimated that the cost of meeting these emergency expenses will be less than \$25,000 per year. This small cost is well repaid in the good will which is earned for the United States.

6. *Travel expenses of dependents of alien employees.*—At the present time the United States Information and Educational Exchange Act

of 1948 authorizes the hiring of alien employees and the assignment of such aliens to work away from home in the United States. The act does not, however, permit the Government to pay the cost of sending the families of such employees with them. It is necessary for the Government to bring to the United States, for example, foreign nationals with language skills required for broadcasting operations. It is naturally difficult to persuade talented foreign nationals to leave their homes in order to work for the United States Government unless the agencies are in a position to pay the expenses of transporting the families of the employees. Section 10 (2) of the bill would add a new paragraph (6) to section 802 of the act which would authorize the payment of such travel expenses for dependents of alien employees. The estimated annual cost to the Government of this new provision would be about \$40,000.

7. *Payment for damage done abroad by United States instrumentalities or employees.*—Section 13 of the bill would add a new section 1012 to the act which would permit the Secretary of State and the Director of the United States Information Agency to consider and settle claims arising in a foreign country on account of death or injury to persons or damage to property whenever such harm is caused by any instrumentality, agency, or employee of the Department of State or the United States Information Agency and when the amount of such claims does not exceed \$5,000. This authority is very similar to the authority presently available to the armed services (31 U. S. C. 224 (d)). The Department of State and the United States Information Agency are not entirely without authority at the present time to settle such claims but the authority is tied in with the tort claim settlement laws applicable to torts in the United States, which authorize the settlement of claims up to \$1,000 for which the Government, if a private party, would have been liable under the law of the place where the damage occurred. This language makes the law difficult to apply abroad because of the difference between legal concepts in the United States and legal concepts in foreign countries. The limitation on the amount of settlements is also too low in some cases. As a result of the existing situation the Government has been confronted with several claims abroad which were borderline from the standpoint of technical legal liability, based on the law of the place of the accident, but in which the circumstances showed a substantial ground for some equitable payment by the United States Government. In view of the fact that the programs authorized by the Information and Educational Exchange Act are designed to improve relations between the United States and foreign countries and to insure a favorable impression of United States standards and values, it is important to provide that the exchange program and the information program administrators may pay for damage to foreign nationals arising out of actions of United States Government agents and employees in foreign countries. It is expected that the annual cost to the Government of settling claims of the type covered by the new provision will be less than \$20,000 per year.

8. *United States Information officers.*—Section 13 of the bill would add a new section 1013 to the act which would authorize the Director of the United States Information Agency to establish a career category of officers to be known as United States Information officers. This authority has been recommended by the United States Advisory

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Commission on Information in its reports to the Congress for the past 2 years. The new section would permit the Director to give these United States Information officers substantially the same status as Foreign Service officers with respect to classification, pay, allowances, job security, promotion, leave, medical benefits, recreation facilities, and retirement. There would be the following differences between United States Information officers and Foreign Service officers. The United States Information officer would be appointed by the Director of the United States Information Agency whereas Foreign Service officers are appointed by the President, by and with the consent of the Senate. Second, it is contemplated that United States Information officers will have an independent, although substantially identical, retirement system from that of Foreign Service officers. Third, unlike the Secretary of State, the Director would not recommend to the President that United States Information officers be commissioned as diplomatic and consular officers. He would instead request that the Secretary of State recommend to the President that certain United States Information officers be commissioned as diplomatic and consular officers.

This proposed new category of United States Government personnel overseas is discussed in more detail below in this report.

9. *Change of name of United States Information Agency.*—Section 13 of the bill also would add a new section 1014 to the act. It would change the name of the United States Information Agency to the "United States Information Service." The reason for this change is that the overseas information offices of the United States have for a number of years functioned under the name of the United States Information Service (USIS) and public acceptance of that name in foreign countries has been established. It is desirable to take full advantage of this acceptance of the term "United States Information Service" abroad and to eliminate any confusion between the two names.

COMMITTEE CHANGES IN THE BILL

The pending bill, S. 3638, as introduced would have substantially rewritten section 2 of the United States Information and Educational Exchange Act of 1948 which states the objectives of the educational exchange and information programs. Except in one respect, the committee decided that there was no difference in substance between the present section 2 and the proposed change in the bill. The committee therefore deleted most of the proposed new section 2 of the act but did approve a new paragraph (d) for section 2 which makes clear that the Secretary may initiate educational projects in foreign countries which he believes will be of value to the United States.

Section 2 of the original bill would also have rewritten section 201 of the act more fully than the committee has recommended. The committee recommends retaining only two really new elements in the revised section 201; namely, the new authority to send foreign nationals to foreign schools to study and the new restrictions on exchange visitors (also contained in S. 2562 which has already passed the Senate but included here for the reasons stated above) whereby exchange visitors to the United States must return home for 2 years before they are eligible for immigration visas. The committee decided to restrict the proposed new authority to send foreign nationals to study in

foreign schools, which was included in the revised section 201, to the study of subjects pertaining to or affecting the United States and to the participation in meetings sponsored by individuals or public or private organizations of the United States.

At the request of the United States Information Agency the committee added to the bill provision for two additional members of the Advisory Commission on Information. This provision also provides for staggering the appointments of such new members along with the terms of the other members of the Commission (sec. 5).

The committee deleted from the bill a proposed authority to pay United States income taxes on behalf of certain foreign nationals participating in the programs authorized by the act (sec. 10). The problem which gave rise to the proposed provision is that the internal revenue authorities have ruled in several cases that payments made to program participants while in the United States by their former employers at home, is taxable under United States law. The committee believes that as a matter of principle foreign nationals in the United States who are brought here by the United States Government should not be liable to pay United States income taxes on income which is not earned here. The committee feels, however, that as a matter of policy it is better to change the United States tax law, if necessary, than to write a special provision authorizing United States Government agencies to pay United States income taxes on behalf of foreign nationals participating in programs, authorized by the act.

The original bill contained new authority on the part of the administrators of the exchange and information programs to pay emergency medical expenses and expenses of travel incurred by reason of illness (sec. 10). The committee limited this authority to the specific needs advanced by the executive branch; namely, to pay such medical expenses and expenses of travel for alien employees while assigned temporarily for duty outside the countries in which they reside or for participants in activities authorized by the act, and to pay for accompanying medical attendants in such cases.

The committee notes that the administration requested \$2 million less for international educational exchange activities for the fiscal year 1957 than for the previous year, and \$11 million less than was recommended by the United States Advisory Commission on Educational Exchange. The committee is concerned about this development, particularly in view of the substantial increase which has been requested by the administration for the information program. There is a serious question whether a proper balance is being maintained between the two programs. The committee proposes two remedies for this situation: First, it asks the executive branch in the fiscal year 1958 budget to treat the budget for the International Educational Exchange Service as a separate line item within the Department of State budget in order that this program may be considered separately on its own merits. Second, the committee has added to S. 3638 a further amendment to the United States Information and Educational Exchange Act which would permit the President to transfer up to 10 percent of the funds made available to carry out the information program over to the funds appropriated for the exchange program.

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THE PROBLEM OF UNITED STATES GOVERNMENT PERSONNEL ABROAD

Perhaps the most important policy question in the pending bill is the proposed career category of United States Information officers for the United States Information Agency.

On the one hand, the United States Information Agency is carrying on very important activities of the United States abroad. If the Agency is to do its job well it must have able people. Recruitment of able employees is vastly facilitated if the Agency can offer them career opportunities; that is, the chance to start work in an organization in which they will be paid and promoted according to merit, will be protected from arbitrary or partisan political action, and in which they may look forward to retirement with a reasonable income.

On the other hand, such a career foreign service for United States Information Agency employees should be established in a way which will help, rather than hinder, the wise and economical administration of all overseas employees of the United States Government. As is well known, some two dozen United States agencies employ many thousands of United States civilians overseas. A great many different systems for recruitment, pay, allowances, and all the other incidents of employment are in operation. The bulk of United States civilians abroad are employed by the Department of Defense, the Department of State, the International Cooperation Administration, and the United States Information Agency.

Employees from the Department of State, the International Cooperation Administration, and the United States Information Agency may perhaps be treated as a group for the purpose of analysis. The United States Information Agency was a part of the Department of State until 1953 and may someday become part of the Department of State again. The function of administering economic and technical assistance, partly carried on in the Department of State and partly carried on by independent agencies in recent years, is now being carried out by the International Cooperation Administration, which is a part of the Department of State. At the present time the overseas employees of all three agencies are governed in large part, or entirely, as in the case of the Department of State and the United States Information Agency, by the Foreign Service Act of 1946, as amended. Employees of all three agencies usually live and work side by side at United States posts overseas. All three agencies employ Foreign Service Staff persons and Foreign Service Reserve officers, and each agency recruits and administers such categories of employees separately from the other two agencies. Only the Department of State has career officer groups, the Foreign Service officer group and the career officers of the Foreign Service Staff corps. In the pending bill the United States Information Agency, supported by the Department of State, is asking for a career officer group for information program employees comparable to the Foreign Service officer group.

A basic question, which is not being reexamined now by the administration but which in the opinion of the committee ought to be reexamined by the administration, is the question of whether the United States Information Agency should remain separate from the Department of State or whether it should have a semiautonomous status within the Department like the International Cooperation Administration. This question, however, need not be solved by the

Congress before passing on the merits of the proposal for a career officer group for the United States Information Agency. The committee believes that it is important to provide the opportunity for young men and women to make the United States Information Service their career. For reasons which are developed below, the committee is convinced also that this is not possible under the present circumstances. Having stated these premises, it becomes immediately apparent that they apply to the International Cooperation Administration as well, since, for the immediate future, at least, the United States will be operating programs of economic and technical assistance. Nevertheless, the committee has received no information from the Department of State indicating any plans to seek a career status for International Cooperation Administration employees.

The justifications for establishing a career group of information program employees are as follows. Fundamentally, career incentives are needed to attract capable and devoted people to the United States information program. The present incentives are inadequate. Americans in the overseas service of the United States Information Agency may hold appointments only as Foreign Service Reserve officers or as Foreign Service Staff officers. Ninety percent of the United States Information Agency professional people overseas are serving as Foreign Service Staff officers. However, the salary ceiling of Foreign Service Staff officers is two full grades below the top salary for a Foreign Service Reserve officer. Furthermore, pursuant to the recommendations of the Wriston report the Department of State and the United States Information Agency will use the Foreign Service Staff class principally as a category for clerical and technical employees in the future. The alternative available to the United States Information Agency of employing its professional people overseas as Foreign Service Reserve officers is also inadequate because the Foreign Service Reserve category is designed by law to be a category of people hired on a temporary basis. Under the law their appointments are limited to 5 years. A number of the best officers of the United States Information Agency have already served longer than this period as Foreign Service Reserve officers and have been retained as such only through a provision in the annual appropriation acts for the United States Information Agency granting a 1-year extension of these appointments. This uncertainty of tenure is difficult for such employees. The United States Information Agency employees overseas are at present eligible only for civil service retirement benefits which are substantially less than those available to Foreign Service officers, with whom they serve side by side overseas. Naturally the disparity of benefits between the Foreign Service officer category and the professional United States Information officer category creates a difficult morale problem.

The authority in the new section 1013 which is proposed for the United States Information and Educational Exchange Act of 1948 and contained in the pending bill will permit the Director of the United States Information Agency to give the proposed new category of United States Information officers substantially the same benefits and career incentives as Foreign Service officers. The proposed authority will be used by the Director in a reorganization of the Agency's personnel which is outlined below in a statement furnished by the Director to the committee during its hearings.

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PROPOSED FOREIGN SERVICE PERSONNEL SYSTEM OF THE
UNITED STATES INFORMATION AGENCY

Objective

The objective of the Agency's Foreign Service personnel system is to provide a career mobile staff of competent, experienced international information specialists available and trained for duty anywhere in the world and devoted and dedicated to the service. Such personnel will be recruited, promoted, assigned, and otherwise treated similarly to Foreign Service officers of comparable ability, age, and experience.

Composition

The Foreign Service of the Agency will consist of the following:

1. United States Information officers—A professional service of the officer level comparable to the Foreign Service officer corps of the Department of State.

2. Foreign Service Reserve officers—Professionals appointed from outside the Agency for limited periods who will return to their careers elsewhere after completing an assignment with the Agency and candidates for United States Information officer appointments who will serve as Reserve officers until they meet requirements.

3. Foreign Service Staff corps—A group of clerical, stenographic, and administrative assistant personnel at salary classes below the entrance salary of Foreign Service Reserve and United States Information officers of class 6 and of technical specialists at higher classes generally appointed on a permanent basis. Authority to make limited appointments will be continued. This group will be comparable to the Foreign Service Staff corps of the Department after implementation of the Wriston program has been completed.

4. Foreign Service locals—Citizens of other countries appointed for service abroad in accordance with provisions of the Foreign Service Act.

Proposed number of United States information officers

As currently envisaged, the ultimate size of the United States Information officer corps will approximate 1,200 officers. The actual number will be determined by experience. The corps will be built up to this level over several years. The level of employment of the Agency is not increased by this proposal. The number of persons employed in other categories will be decreased in proportion to the number appointed as United States Information officers.

Appointment

Appointments will be made by the Director.

During the first several years appointments will be made at all levels to assure selection of a high quality corps of officers. After the service is established and operating, appointment will normally be into class 6. However, the need for highly qualified persons cannot always be met by promotion from within and individuals with exceptional

abilities will be appointed at appropriate grades above class 6 to meet such needs.

Worldwide service requirement.

United States Information officers will be required to serve at such posts and in such positions as determined by the Agency to meet the needs of the program.

Entry into the United States Information Officer Corps

1. *Appointment from present Foreign Service Reserve and Foreign Service Staff.* —Those present Reserve and Staff officers who meet age, citizenship, and other requirements, who have satisfactory performance records, and who have the types of backgrounds needed and suited to a worldwide information program will be appointed as United States Information officers. The appointments will be made after a careful review of their personnel records by the selection panels. There will be no blanketing in of all presently employed personnel. Promotion panels scheduled to meet this year will be used to select the initial group of United States Information officers.

The panels will review the records of each employee concerned and recommend whether he should (a) be selected to be a United States Information officer, or (b) remain as a Reserve or Staff officer. Until the panels have completed this review, it will, of course, be impossible to determine the number of selections for the new officer corps. Reserve and Staff officers not initially selected as United States Information officers may be reconsidered for selection by future panels.

2. *Appointments of Agency's civil-service personnel.* —Present civil-service employees of the Agency, who are qualified and meet requirements, will be encouraged to enter the United States Information Officer Corps. Their records will be reviewed by selection panels prior to appointment.

3. *Appointment from outside the Agency.* —Appointment to class 6 will be on the basis of written and oral examinations open to the public.

Appointments to classes 1-5 will be on the basis of examination and evaluation of the record of the applicant and an oral examination by selection panels. Physical examinations will be required.

Pay, allowances, and benefits

Classes and salary ranges will be identical to those provided for Foreign Service Reserve officers.

Allowances and benefits provided in the Foreign Service Act for Reserve officers will also apply to United States Information officers. No change in the present allowance system and no additional monetary benefits are proposed in this legislation.

Assignment and use of United States information officers

United States Information officers will be used primarily to staff positions in the overseas operations of the Agency. They will also be used to staff positions in the domestic

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service on a rotating basis. The Agency intends to identify organizational areas in its domestic operations where overseas experience is desirable. The assignment of United States Information officers to domestic positions in these areas for regular tours of duty will be accomplished through a system of assignment utilizing the experience and abilities of the individual officer to best advantage to provide a well-balanced staff in the domestic service.

United States Information officers may be assigned or detailed to duty in the Agency as provided by section 571 (a) of the Foreign Service Act.

Development and training

United States Information officers will be developed and trained to serve on a worldwide basis at various posts and in various positions. Consideration will be given both in initial selection and in career management and training to identifying and developing geographic and functional specialists.

Diplomatic and consular status

United States Information officers will be eligible for diplomatic and consular titles and commissions, as provided for in section 524 of the Foreign Service Act. No change in present arrangements is planned. The Director will make recommendations to the Secretary of State and the Secretary will make the determinations on diplomatic and consular titles and commissions. Appointments as commissioned diplomatic or consular officers will be by the President, upon recommendation of the Secretary, and will be subject to the advice and consent of the Senate.

Promotion

United States Information officers will be promoted on the basis of merit, demonstrated ability, and potential for growth and development. All officers will be rated by annual promotion panels and ranked class by class.

Separation

1. *Separation on charges of unsatisfactory performance of duty.*—United States Information officers may be separated by the Director for unsatisfactory performance of duty, but only after a review of their case by a board appointed by the Director. Prior to final decision, an officer charged with unsatisfactory performance may request a hearing before the board. He will have the right at the hearing to present evidence in his own behalf, to examine into the charges against him, to be attended by counsel, and generally to avail himself of the protections of legal procedures customarily attending hearings into serious charges.

2. *Selection out.*—United States Information officers who consistently rank below a minimum rating prescribed for their class by Agency regulations may be selected out. Appraisal will be made at least annually by the promotion panels, which will rank officers in each class from the highest to the lowest. It is contemplated that those officers who

are rated in the lowest 10 percent of their classes for any 3 out of 5 years may be separated.

3. *Separation on charges of misconduct or malfeasance.*--United States Information officers may be separated for misconduct or malfeasance after a hearing, as provided for in section 638 of the Foreign Service Act.

Retirement

A retirement system will be established by the Director based on the provisions of the Foreign Service Act. The Agency plans to adopt the retirement regulations of the Department of State. Age limitations adopted by the Department of State under the Wriston plan will be followed by the Agency in selecting persons for appointment as United States Information officers.

Cost of legislation

The only three cost items involved in section 1013 of the proposed legislation are:

1. *Salary adjustments for present Foreign Service Staff personnel.*--The salary schedules for United States Information officers and the salary schedules for Foreign Service Staff personnel will differ. There will be slight salary adjustments for those present Foreign Service Staff employees of the Agency who are appointed to the United States Information Officer Corps to avoid decreases in their salaries in transferring to the officer salary schedule. This cost will be financed from the Agency's appropriations.

2. *Financing the retirement system.*--The retirement fund will be financed from employee contributions of 5 percent of their pay, employee purchase of prior-service credit, and appropriations by Congress. The amount of appropriations needed in the 1957 fiscal year will depend on Federal Government policy on financing retirement systems. If "normal plus interest" (level premium) financing is used, the Treasury actuarial staff estimates that an appropriation of \$126,000¹ will be necessary for each 100 United States information officers appointed. If financing by "maintaining employee fund only" (modified pay-as-you-go) is used, the Treasury actuarial staff estimates that no appropriation will be required for the first 4 years of operation of the system.

3. *Administering the retirement system.*--The cost of administering the retirement system are negligible. The Agency will require \$5,000 to \$10,000 for actuarial and other expert services in establishing the system and a staff of 2 clerks on a continuing basis to maintain the retirement records and carry on the other administrative details of operating the system. The annual salary of the 2 clerks is estimated at \$8,000. The Agency plans to meet the cost of these personal services from its appropriations.

¹ The actual net cost to the Government would be considerably less. If these officers remained under the civil-service retirement system, the Government, under the same funding plan, would contribute approximately one-half this amount to the civil-service retirement fund. The additional net cost, therefore, would be approximately one-half of the total estimated cost.

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In approving the United States Information Agency proposal embodied in section 13 of the pending bill for a career officer group the committee was guided by the following objectives and it expects the Director also to be guided by them in administering the new personnel system:

1. To reduce insofar as possible friction and dissatisfaction among United States personnel abroad arising from the existence of differing personnel systems.

2. To insure that the United States Information Agency personnel system will be a merit system and that political considerations will not be influential in appointments.

3. To insure that the United States Information Agency's personnel system will be as like the United States Foreign Service and the Department of State personnel systems as may be practical, and to that end to reduce as far as possible the discretion in the Director of the United States Information Agency to depart from the principles of the Foreign Service Act of 1946, as amended.

4. To continue in the Secretary of State and the United States Ambassadors appropriate control over all personnel of the Government, including United States Information Agency personnel in missions overseas.

5. To reduce obstacles to a future merger of the United States Information Agency and the Department of State if that should ever be decided upon.

The new section 1013 embodying the United States Information Agency career foreign service personnel proposal states:

* * * Except for the limitations of time contained in sections 522 and 527 of the Foreign Service Act of 1946, as amended, all provisions of law not inconsistent herewith which are applicable to Foreign Service Reserve officers shall be applicable to United States Information officers, and the Director shall be guided by the policies and principles prescribed in those sections.

The committee expects this authority to be used to equate, insofar as possible, United States Information officers with Foreign Service officers. When there is room for variance, the committee desires that differences between benefits accorded to Foreign Service officers and those accorded to United States Information officers shall be reduced to a minimum.

CONCLUSION

It is the conclusion of the Committee on Foreign Relations that S. 3638 contains necessary modifications of the United States Information and Educational Exchange Act of 1948 which will help the Department of State carry out a more effective United States educational exchange program and help the United States Information Agency to administer a more effective United States information program. The committee strongly urges the Senate to approve S. 3638.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the standing rules of the Senate changes in existing law made by the bill, as reported are shown as follows (existing law proposed to be omitted is enclosed in

black brackets, new matter is printed in italics; existing law in which no change is proposed is shown in roman):

[PUBLIC LAW 402--80TH CONGRESS]

[CHAPTER 36-- 2D SESSION]

[H. R. 3342]

AN ACT

To promote the better understanding of the United States among the peoples of the world and to strengthen cooperative international relations.

Be it enacted by the Senate, and House of Representatives of the United States of America in Congress assembled,

TITLE I—SHORT TITLE, OBJECTIVES, AND DEFINITIONS

SHORT TITLE

SECTION 1. This Act may be cited as the “United States Information and Educational Exchange Act of 1948”.

OBJECTIVES

SEC. 2. The Congress hereby declares that the objectives of this Act are to enable the Government of the United States to promote a better understanding of the United States in other countries, and to increase mutual understanding between the people of the United States and the people of other countries. Among the means to be used in achieving these objectives are—

- (1) an information service to disseminate abroad information about the United States, its people, and policies promulgated by the Congress, the President, the Secretary of State and other responsible officials of Government having to do with matters affecting foreign affairs;
- (2) an educational exchange service to cooperate with other nations in—
 - (a) the interchange of persons, knowledge, and skills;
 - (b) the rendering of technical and other services;
 - (c) the interchange of developments in the field of education, the arts, and sciences;
 - (d) *the development of projects for diffusion of knowledge which are of interest and value to the United States and other countries.*

* * * * *

TITLE II—INTERCHANGE OF PERSONS, KNOWLEDGE AND SKILLS

PERSONS

SEC. 201. (a) The Secretary is authorized to provide for interchanges on a reciprocal basis between the United States and other countries of students, trainees, teachers, guest instructors, professors, and leaders in fields of specialized knowledge or skill and shall wherever pos-

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sible provide these interchanges by using the services of existing reputable agencies which are successfully engaged in such activity. *The Secretary may also provide for the attendance of nationals of one cooperating country at selected institutions of learning or places of study in another cooperating country, for the purpose of study of subjects pertaining to or affecting the United States or of participation in meetings sponsored by individuals or public or private organizations of the United States, when he determines that urgent foreign relations objectives would be served thereby.* [The Secretary may provide for orientation courses and other appropriate services for such persons from other countries upon their arrival in the United States, and for such persons going to other countries from the United States. When any country fails or refuses to cooperate in such program on a basis of reciprocity the Secretary shall terminate or limit such program, with respect to such country, to the extent he deems to be advisable in the interests of the United States. The persons specified in this section shall be admitted as nonimmigrants under section 101 (a) (15) of the Immigration and Nationality Act, for such time and under such conditions as may be prescribed by regulations promulgated by the Secretary of State and the Attorney General. A person admitted under this section who fails to maintain the status under which he was admitted or who fails to depart from the United States at the expiration of the time for which he was admitted, or who engages in activities of a political nature detrimental to the interests of the United States, or in activities not consistent with the security of the United States, shall, upon the warrant of the Attorney General, be taken into custody and promptly deported pursuant to sections 241, 242, and 243 of the Immigration and Nationality Act. Deportation proceedings under this section shall be summary and the findings of the Attorney General as to matters of fact shall be conclusive. Such persons shall not be eligible for suspension of deportation under section 244 of the Immigration and Nationality Act.]

(b) *The Secretary may provide for orientation courses and other appropriate services and materials in the case of persons coming to the United States from other countries and going to other countries from the United States under provisions of this Act or for purposes which the Secretary determines to be in furtherance of the objectives of this Act.*

(c) *When any country fails or refuses to cooperate in the program provided herein the Secretary shall terminate or limit such program, with respect to such country, to the extent he deems to be advisable in the interests of the United States.*

(d) *The foreign exchange visitors provided for in this section shall be admitted as nonimmigrants under section 101 (a) (15) of the Immigration and Nationality Act for such time and under such conditions as may be prescribed by regulations promulgated by the Secretary of State and the Attorney General. Exchange visitors so admitted shall not be eligible for a change of status under the provisions of section 248 of the Immigration and Nationality Act, nor for adjustment of status under provisions of section 245 of that Act. An exchange visitor who fails to maintain nonimmigrant status and exchange visitor classification or who fails to depart from the United States on the termination of such status or classification, shall, upon warrant of the Attorney General, be taken into custody and promptly deported pursuant to sections 241, 242, and 243 of the Immigration and Nationality Act. Exchange visitors who*

engage in activities of a political nature detrimental to the interests of the United States, or in activities not consistent with the security of the United States shall be considered to have failed to maintain exchange visitor classification. Deportation proceedings under this section shall be summary and the findings of the Attorney General as to matters of fact shall be conclusive. Exchange visitors shall not be eligible for suspension of deportation under section 244 of the Immigration and Nationality Act.

[BOOKS AND MATERIALS]

SEC. 202. The Secretary is authorized to provide for interchanges between the United States and other countries of books and periodicals, including government publications, for the translation of such writings, and for the preparation, distribution, and interchange of other educational materials.]

BOOKS AND MATERIALS

SEC. 202. The Secretary is authorized to provide for interchanges between the United States and other countries of books and periodicals, including Government publications, and for the preparation, publication, distribution, translation, and interchange of such writings and other cultural and educational materials, including visual and auditory materials of all kinds.

* * * * *

TITLE VI—ADVISORY COMMISSIONS TO FORMULATE POLICIES

SEC. 601. There are hereby created two advisory commissions, (1) United States Advisory Commission on Information (hereinafter in this title referred to as the Commission on Information) and (2) United States Advisory Commission on Educational Exchange (hereinafter in this title referred to as the Commission on Educational Exchange) to be constituted as provided in section 602. The Commissions shall formulate and recommend to the Secretary policies and programs for the carrying out of this Act: *Provided, however, That the Commission on Educational Exchange shall recommend policies and programs to further cultural relations with participating countries by means of exchange of persons and other means, and shall recommend criteria for the selection of persons for participation in exchange programs under this Act: And provided further, That the commissions created by this section shall have no authority over the Board of Foreign Scholarships of the program created by Public Law 584 of the Seventy-ninth Congress, enacted August 1, 1946, or the United States National Commission for UNESCO.*

MEMBERSHIP OF THE COMMISSIONS; GENERAL PROVISIONS

SEC. 602. (a) Each Commission shall consist of five members, not more than three of whom shall be from any one political party. Members shall be appointed by the President, by and with the advice and consent of the Senate. No person holding any compensated Federal or State office shall be eligible for appointment: *Provided, That no office under a State university, land-grant college, or other*

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similar educational institution shall be deemed to be a compensated Federal or State office for the purposes of this subsection. After July 1, 1956, the Commission on Information shall consist of seven members, not more than four of whom shall be from any one political party; and the appointments of the two additional members initially shall be for terms ending in January 1957 but thereafter shall be for three year terms.

* * * * *

(c) The members of the Commission on Educational Exchange shall represent the public interest and shall be selected from a cross section of educational, cultural, scientific, technical, **[and public service]** *public service, professional, business, agriculture, and labor backgrounds.*

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RECOMMENDATIONS AND REPORTS

SEC. 603. The Commissions shall meet not less frequently than once each month during the first six months after their establishment, and thereafter at such intervals as the Commissions find advisable, and shall transmit to the Secretary a quarterly report, and to the Congress **[a semiannual]** *an annual* report of all programs and activities carried on under the authority of this Act, including appraisals, where feasible, as to the effectiveness of the several programs, and such recommendations as shall have been made by the Commissions to the Secretary for effectuating the purposes and objectives of this Act and the action taken to carry out such recommendations.

BINATIONAL COMMISSIONS

SEC. 604. The Secretary is authorized to establish in any country in which a program under this Act is in effect an advisory commission which may be composed of citizens of such country or citizens of the United States, or both. It shall be the function of any commission so established to advise the Secretary with respect to matters concerning the administration of such program. The Secretary is also authorized, wherever practicable, to utilize in the administration of exchange programs under this Act the services of any binational commission established under authority of any other law providing similar exchange programs. Appropriations made to carry out the purposes of this Act shall be available to the Secretary for payment of the expenses of any commission established or utilized pursuant to this section.

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TITLE VII—APPROPRIATIONS

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TRANSFER OF FUNDS

SEC. 702. (a) The Secretary shall authorize the transfer to other Government agencies for expenditure in the United States and in other countries, in order to carry out the purposes of this Act, any part of any appropriations available to the Department for carrying out the purposes of this Act, for direct expenditure or as a working fund, and any such expenditures may be made under the specific authority contained in this Act or under the authority governing the activities of the Government agency to which a part of any such appropriation is transferred, provided the activities come within the scope of this Act.

(b) Whenever the President determines it to be necessary for the purposes of this Act, not to exceed 10 per cent of the funds made available to carry out United States information program activities may be transferred to and consolidated with the funds made available to carry out international educational exchange activities and may be used for any of the purposes for which the latter funds may be used.

TITLE VIII—ADMINISTRATIVE PROCEDURES

THE SECRETARY

SEC. 801. In carrying out the purposes of this Act, the Secretary is authorized, in addition to and not in limitation of the authority otherwise vested in him—

* * * * *

(5) to employ, without regard to the civil-service and classification laws, when such employment is provided for by the appropriation Act, (i) persons on a temporary basis, and (ii) aliens within the United States, but such employment of aliens shall be limited to services related to the translation or narration of colloquial speech in foreign languages when suitably qualified United States citizens are not available; [and]

[6] (6) to create, with the approval of the Commission on Information and the Commission on Educational Exchange, such advisory committees as the Secretary may decide to be of assistance in formulating his policies for carrying out the purposes of this Act. No committee member shall be allowed any salary or other compensation for services; but he may be paid his actual transportation expenses, and not to exceed \$10 per diem in lieu of subsistence and other expenses, while away from his home in attendance upon meetings within the United States or in consultation with the Department under instructions.]

(6) to create, with the approval of the Commission on Information and the Commission on Educational Exchange, such advisory committees as the Secretary may decide to be of assistance in formulating his policies for carrying out the purposes of this Act; and from time to time to hold meetings of representatives of United States cultural and educational institutions and other organizations interested in programs under this Act for the purpose of malign reports on, and obtaining comments and suggestions with respect to, such programs. Such persons will not be considered as persons 'employed or assigned to duties by the Government' within the meaning of the Act. No such member of an advisory committee or representative of any such institution or organization shall be allowed any salary or other compensation for services, but he may be paid his actual transportation expenses and per diem in lieu of subsistence and other expenses at the rate prescribed by or established pursuant to section 5 of the Administrative Expense Act of 1946, as amended (5 U. S. C. 73 b-2) while away from his home in attendance upon meetings within the United States or in consultation with the Department under instructions;

(7) to engage the services of experts and consultants, or organizations thereof, as authorized by section 15 of the Act of August 2, 1946 (U. S. C., title 5, sec. 55a), and individuals so engaged

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may be compensated at rates not in excess of \$50 per day and, while away from their homes or regular places of business, may be paid travel expenses, including per diem allowances in lieu of subsistence at the rates provided for in the Standardized Government Travel Regulations.

GOVERNMENT AGENCIES

SEC. 802. In carrying on activities which further the purposes of this Act, subject to approval of such activities by the Secretary, the Department and the other Government agencies are authorized—

- * * * * *
- (2) to make contracts, including *contracts of insurance, guaranty, and indemnity, and* contracts with governmentay agencies, foreign or domestic, including subdivisions thereof, and inter-governmental organizations of which the United States is a member, and with respect to contracts entered into in foreign countries, without regard to section 8741 of the Revised Statutes (41 U. S. C. 22);
- (3) under such regulations as the Secretary may prescribe, to pay the transportation expenses, and not to exceed \$10 per diem in lieu of subsistence and other expenses, of citizens or subjects of other countries, without regard to the Standardized Government Travel Regulations and the Subsistence Act of 1926, as amended; **[and]**
- (4) to make grants for, and to pay expenses incident to training and study**[.]**;
- (5) to pay emergency medical expenses and expenses of travel incurred by reason of illness for alien employees while assigned temporarily for duty outside the countries in which they reside or for participants in activities authorized by this Act and to pay for accompanying medical attendants in such cases; and
- (6) to pay the travel expenses, including a per diem allowance in lieu of susbistence, of alien employees and their dependents when such employees are authorized to travel in connection with appointment, change of duty, or separation.

TITLE IX—FUNDS PROVIDED BY OTHER SOURCES

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ADVANCE OF FUNDS

SEC. 902. **[If any other government shall express the desire to provide funds, property, or services to be used by this Government, in whole or in part, for the expenses of any specific part of the program undertaken pursuant to this Act, the Secretary is authorized, when he finds it in the public interest, to accept such funds, property, or services.]** *If any other Government or any international organization shall express the desire to provide funds, property, or services to be used by this Government, in whole or in part, for the expenses of any specific part of the program undertaken pursuant to this Act, the Secretary is authorized, when he finds it in the public interest, to accept such funds,*

property, or services. Funds so received may be established as a special deposit account in the Treasury of the United States, to be available for the specified purpose, and to be used for reimbursement of appropriations or direct expenditure, subject to the provisions of this Act. Any unexpended balance of the special deposit account and other property received under this section and no longer required for the purposes for which provided shall be returned to the government providing the funds or property.

TITLE X--MISCELLANEOUS

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REPORTS TO CONGRESS

SEC. 1008. The Secretary shall submit to the Congress semiannual reports of expenditures made and activities carried on under authority of this Act, inclusive of appraisals and measurements, where feasible, as to the effectiveness of the several programs in each country where conducted, *except that the report concerning activities under the educational exchange programs authorized by this Act shall be submitted annually on or before the thirty-first day of December of each year to apply to activities conducted during the previous fiscal year.*

* * * * *

PAYMENT OF CERTAIN CLAIMS

Sec. 1012. *For the purpose of promoting and maintaining friendly relations abroad by the prompt settlement of meritorious claims arising in a foreign country, the Secretary of State and the Director of the United States Information Agency, and such other officers as they may designate for such purposes, and under such regulations as they may prescribe, are hereby authorized to consider, ascertain, adjust, determine, and make payments, where accepted by the claimants in full satisfaction and in final settlement, of claims on account of damage to or loss or destruction of public or private property both real and personal or on account of personal injury or death, including claims respecting personal property bailed to the Government and claims for damages incident to the use and occupancy of real property, whether under a lease, express or implied, or otherwise, whenever caused by any instrumentality, officer, agent or employee of the Department or Agency, incident to the performance of any official functions for the United States, when the amount of such claim does not exceed \$5,000: Provided, That in cases where the amount exceeds \$2,500 but does not exceed \$5,000, payment shall be made only after approval by the Secretary or Director.*

The Secretary or Director may certify to Congress any meritorious claim or portion thereof which is in excess of \$5,000 as may be deemed to be just and reasonable for payment out of appropriations that may be made by Congress therefor.

No claim shall be considered unless presented within one year after the claim arose, except for good cause shown that the claim could not have been presented within that period of time.

Every claim settled under the authority of this Act shall be final and conclusive for all purposes, notwithstanding any other provision of law to the contrary.

UNITED STATES INFORMATION OFFICERS

SEC. 1013. (a) In accordance with regulations prescribed by him and after suitable examination, the Director of the United States Information Agency may appoint persons to be known as United States Information Officers. Such officers shall be appointed, promoted, and retained on the basis of merit and fitness and may be separated only in accordance with law. Except for the limitations of time contained in sections 522 and 527 of the Foreign Service Act of 1946, as amended, all provisions of law not inconsistent herewith which are applicable to Foreign Service Reserve Officers shall be applicable to United States Information Officers, and the Director shall be guided by the policies and principles prescribed in those sections. The Director shall establish such examining and selection boards or panels as may be necessary for use in the appointment, promotion, and separation of United States Information Officers.

(b) Any United States Information Officer may be separated by the Director for unsatisfactory performance of duties, but only after a review of his case by, and opportunity for a hearing before, an impartial advisory board appointed by the Director. The Director shall also provide for the periodic appraisal of such officers and, in accordance with regulations prescribed by him, may separate those who are consistently ranked below a minimum level prescribed for their class.

(c) The Director may establish an independent retirement and disability system for the benefit of United States information officers based on the provisions of the Foreign Service Act of 1946, as heretofore or hereafter amended. Any officer separated pursuant to subsection (b) hereof shall be entitled to the payments or retirement benefits prescribed in sections 634 or 637 of that Act, as appropriate.

UNITED STATES INFORMATION SERVICE

SEC. 1014. The agency established by section 1 of Reorganization Plan Numbered 8 of 1953 shall hereafter be known as the "United States Information Service" and all references in such reorganization plan or in any statute, regulation, agreement, or other legal instrument to the "United States Information Agency" shall be construed to refer to the "United States Information Service". Nothing in this section shall be construed to alter or affect in any way the functions, authorities, or responsibilities of the agency.

